



Landowner Eligibility Types

RIM Handbook

"Landowner" means an individual or entity that is not prohibited from owning agricultural land under section 500.24 and either owns eligible land or is purchasing eligible land under a contract for deed.

The definitions below were transcribed from [Minnesota Statutes 500.24](#) that define some of the more common "landowner" types for conservation easement eligibility.

Family Farm

An unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

Family Farm Corporation

A corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by, and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

Authorized Farm Corporation

A corporation meeting the following standards:

- 1) its shareholders do not exceed five in number;
- 2) all its shareholders, other than any estate are natural persons;
- 3) it does not have more than one class of shares; and
- 4) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and
- 5) shareholders holding 51 percent or more of the interest in the corporation must be residing on the farm or actively engaging in farming;
- 6) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and
- 7) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

Family Farm Partnership

A limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

Authorized Farm Partnership

A limited partnership meeting the following standards:

- 1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;
- 2) its partners do not exceed five in number;
- 3) all its partners, other than an estate, are natural persons;
- 4) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;
- 5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging farming not more than 1,500 acres as a general partner in an authorized limited partnership;
- 6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;
- 7) the authorized farm partnership, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and
- 8) a limited partner of the authorized farm partnership is not a limited partner in other authorized farm partnerships that directly or indirectly in combination with the authorized farm partnership own more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

The Assistant Attorney General's interpretation of this as it pertains to BWSR conservation easements is as follows:

- All partnerships and corporations **except** *Limited Liability Partnerships* and *General Partnerships* must be certified by the MN Dept. of Ag.
- *General Partnerships* and *Limited Liability Partnerships* are not included in the Corporate Farming Bill. Therefore, all *General Partnerships* and *Limited Liability Partnerships* are eligible.
- *Limited Partnerships* are eligible **only if** certified by the MN Dept. of Ag.
- In other words, *Limited Liability Partnerships* and *General Partnerships* are eligible and do not need certification. **All other** partnerships need certification. **All** corporations need certification.